

# **PUBLIC DISCLOSURE**

**January 20, 2015**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**BERKSHIRE BANK**

**CERT #: 23621**

**24 NORTH STREET  
PITTSFIELD, MASSACHUSETTS 01201**

**Division of Banks**

**1000 Washington Street**

**Boston, Massachusetts 02118**

**Federal Deposit Insurance Corporation**

**350 Fifth Avenue, Suite 1200**

**New York, NY 10118**

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate- income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

## GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) and the Federal Deposit Insurance Corporation (FDIC) to use their authority when examining financial institutions subject to their supervision, to assess the institution’s record of meeting the credit needs of its community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Berkshire Bank (or the Bank)**, prepared by the Division and the FDIC, the institution's supervisory agencies, as of **January 20, 2015**. The agencies evaluate performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution’s branches. The Division and FDIC rate the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00 and in Appendix A to 12 CFR Part 345.

## INSTITUTION’S CRA RATING

***INSTITUTION'S CRA RATING: Satisfactory by the FDIC and the Division.***

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

*The following table provides the performance level of Berkshire Bank with respect to the Lending, Investment, and Service Tests.*

PERFORMANCE LEVELS	BERKSHIRE BANK		
	PERFORMANCE TESTS		
	Lending Test (*)	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Satisfactory (**)	X		
Needs to Improve			
Substantial Noncompliance			

\* NOTE: The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

\*\*NOTE: FDIC rules and regulations stipulate use of a high satisfactory and low satisfactory rating for the three tests. For purposes of this jointly issued public evaluation, the term “satisfactory” will be used in lieu of the “low satisfactory” rating for the Lending, Investment, and Service Test ratings.

moderate tract in Albany, NY. This renovation will not only support economic revitalization by cleaning up an abandoned building, it will generate new business and job development. Berkshire Bank is the lead investor in this project, and committed to a \$10.6 million investment in 2014. To date, Berkshire Bank's investment contributions total \$5.0 million. (Albany AA)

Howard Building Project: The purpose of this project was to rehabilitate a historic building located in Pittsfield. The project enhances the appeal of living and working in a distressed area of downtown Pittsfield, creating 14 apartments on the second and third floors, and 10,000 square feet of retail space on the ground floor. Established in accord with the Massachusetts Gateway Cities Revitalization Plan, this project specifically qualifies under the Housing Development Incentive Program (HDIP). Berkshire Bank contributed \$1.8 million in investments in during the evaluation period. (Berkshire AA)

The remaining investments were made prior to the current evaluation period, or obtained through merger and acquisition activity.

Senior Crimestoppers Project: An investment obtained through the Beacon Federal Bank acquisition, Berkshire Bank has pledged a total of \$3.0 million to provide on-going, effective crime prevention programs that promote safe environments for low- and moderate-income senior housing residents. The Foundation uses these investments to support the Senior Crimestoppers program for low- to moderate-income seniors residing in senior housing facilities in Onondaga County in New York and Warren County in of Tennessee. The current book value of this investment was \$3.0 million. (Syracuse AA and Tennessee AA)

Jewish Geriatric Services (JGS): JGS is a non-profit organization that provides a comprehensive range of health, education, and social services for the elderly in the Berkshire area. The nursing home of JGS accounts for over 70 percent of the services provided. Additionally, approximately 73 percent of nursing home residents are eligible for MassHealth. Seniors with income at or below the Federal Poverty Guideline qualify for MassHealth; therefore, services provided by JGS targeted low-income individuals. Berkshire Bank purchased bonds in 2011, and the current book value totals \$9.6 million. (Berkshire AA)

YWCA Supportive Housing Project: The purpose of this fund is to support the Springfield-based housing program for women who were victims of domestic violence. Prospective tenants must be homeless or on the verge of homelessness, and lacking any resources to obtain access to conventional housing. The Bank made an investment of \$5.1 million to this project in 2011, and they are the only private investor. The Bank's current book value for this project (including federal credits, state credits, and coverage for project losses) amount to \$3.0 million. (Pioneer Valley AA)

New York Business Development Corporation (NYBDC): This organization works in partnership with banks to provide term loans to small businesses, many of which do not meet the requirements for traditional financing. Through creative underwriting, including multiple participations, SBA 504 guarantees, flexible amortization and long-term payouts, NYBDC is able to finance businesses throughout the state and continue to develop the economy. Berkshire Bank purchased stock in the corporation in 2011. Based upon the annual report of NYBDC, Berkshire Bank's stock investment in NYBDC is \$252,547. (New York AAs)

Massachusetts Housing Investment Corporation (MHIC) Equity Fund II, LLC: MHIC is a Delaware Limited Liability Corporation created for making loans to or equity investments in